Governors Island Agreement. The United States will support this Haitian initiative and seek the support of the U.N. and the OAS. We have no reason to believe that they will not also be supportive, and so we are looking forward to discussing that. They just got here, and we're going to have discussion about that.

Haiti

Q. Besides the sanctions, what steps are you willing to take to help restore democracy to Haiti?

The President. Well, let's wait until we have a meeting here. We're going to have a discussion about all those things, and there will be more to say about that.

North Korea

Q. How about North Korea then, Mr. President? Did you come to any decision in your meeting today?

The President. We worked through the problem, and at the end of the meeting I authorized our folks to go back to the South Koreans and our allies, and I expect to have a talk with President Kim sometime in the next 24 hours. We'll talk a little more about it then. I want to talk to them before I say more.

NOTE: The President spoke at 6:45 p.m. in the Oval Office at the White House. A tape was not available for verification of the content of these remarks.

Letter to Congressional Leaders Reporting on Sanctions Against the Federal Republic of Yugoslavia (Serbia and Montenegro)
December 6, 1993

Dear Mr. Speaker: (Dear Mr. President:)

On May 30, 1992, in Executive Order No. 12808, President Bush declared a national emergency to deal with the threat to the national security, foreign policy, and economy of the United States arising from actions and policies of the Governments of Serbia and Montenegro, acting under the name of the Socialist Federal Republic of Yugoslavia or the Federal Republic of Yugoslavia, in their involvement in and support for groups attempting to seize territory in Croatia and Bosnia-Herzegovina by force and violence utilizing, in part, the forces of the so-called Yugoslav National Army (57 *FR* 23299, June 2, 1992). The present report is submitted pursuant to 50 U.S.C. 1641(c) and 1703(c). It discusses Administration actions and expenses directly related to the exercise of powers and authorities conferred by the declaration of a national emergency in Executive Order No. 12808 and to expanded sanctions against the Federal Republic of Yugoslavia (Serbia and Montenegro) (the "FRY (S/M") contained in Executive Order No. 12810 of June 5, 1992 (57 *FR* 24347, June 9, 1992), Executive Order No. 12831 of January 15, 1993 (58 *FR* 5253, January 21, 1993), and Executive Order No. 12846 of April 26, 1993 (58 *FR* 25771, April 27, 1993).

1. Executive Order No. 12808 blocked all property and interests in property of the Governments of Serbia and Montenegro, or held in the name of the former Government of the Socialist Federal Republic of Yugoslavia or the Government of the Federal Republic of Yugoslavia, then or thereafter located in the United States or within the possession or control of U.S. persons, including their overseas branches.

Subsequently, Executive Order No. 12810 expanded U.S. actions to implement in the United States the U.N. sanctions against the FRY (S/M) adopted in United Nations Security Council Resolution No. 757 of May 30, 1992. In addition to reaffirming the blocking of FRY (S/M) Government property, this order prohibits transactions with respect to the FRY (S/M) involving imports, exports, dealing in FRY-origin property, air and sea transportation, contract performance, funds transfers, activity promoting importation or exportation or dealings in property, and official sports, scientific, technical, or other cultural representation of, or sponsorship by, the FRY (S/M) in the United States.

Executive Order No. 12810 exempted from trade restrictions (1) transshipments through the FRY (S/M), and (2) activities related to the United Nations Protection Force (UNPROFOR), the Conference on Yugoslavia, or the European Community Monitor Mission.

On January 15, 1993, President Bush issued Executive Order No. 12831 to implement new sanctions contained in United Nations Security Council Resolution No. 787 of November 16, 1992. The order revoked the exemption for transshipments through the FRY (S/M) contained in Executive Order No. 12810, prohibited transactions within the United States or by a U.S. person relating to FRY (S/M) vessels and vessels in which a majority or controlling interest is held by a person or entity in, or operating from, the FRY (S/M), and stated that all such vessels shall be considered as vessels of the FRY (S/M), regardless of the flag under which they sail.

On April 26, 1993, I issued Executive Order No. 12846 to implement in the United States the sanctions adopted in United Nations Security Council Resolution No. 820 of April 17, 1993. That resolution called on the Bosnian Serbs to accept the Vance-Owen peace plan for Bosnia-Herzegovina and, if they failed to do so by April 26, called on member states to take additional measures to tighten the embargo against the FRY (S/M) and Serbian-controlled areas of Bosnia-Herzegovina and the United Nations Protected Areas in Croatia. Effective April 26, 1993, the order blocks all property and interests in property of commercial, industrial, or public utility undertakings or entities organized or located in the FRY (S/M), including property and interests in property of entities (wherever organized or located) owned or controlled by such undertakings or entities, that are or thereafter come within the possession or control of U.S. persons.

2. The declaration of the national emergency on May 30, 1992, was made pursuant to the authority vested in the President by the Constitution and laws of the United States, including the International Emergency Economic Powers Act (50 U.S.C. 1701 *et seq.*), the National Emergencies Act (50 U.S.C. 1601 *et seq.*), and section 301 of title 3 of the United States Code. The emergency declaration was reported to the Congress on May 30, 1992, pursuant to section 204(b) of the International Emergency Economic Powers Act (50 U.S.C. 1703(b)). The additional sanctions set forth in Executive Orders No. 12810, No. 12831, and No. 12846 were imposed pursuant to the authority vested in the President by the Constitution and laws of the United States, including the statutes cited above, section 1114 of the Federal Aviation Act (49 U.S.C. App. 1514), and section 5 of the United Nations Participation Act of 1945, as amended (22 U.S.C. 287c).

3. Since the last report, the Office of Foreign Assets Control (FAC) of the Department of the Treasury, in consultation with the State Department and other Federal agencies, has amended the Federal Republic of Yugoslavia (Serbia and Montenegro) Sanctions Regulations, 31 CFR Part 585 (58 *FR* 35828, July 1, 1993), to implement Executive Order No. 12846. A copy of the amendment is enclosed with this report.

Effective 12:01 a.m. e.d.t., April 26, 1993, Executive Order No. 12846 blocks all property and interests in property of all commercial, industrial, or public utility undertakings or entities organized or located in the FRY (S/M), including the property and interest in property of entities (wherever organized or located) owned or controlled by such undertakings and entities, that are or thereafter come within the United States or the possession or control of U.S. persons (amended section 585.201). Section 1(a) of Executive Order No. 12846 expressly blocks property subject to U.S. jurisdiction of many entities, both U.S. and foreign, heretofore blocked pursuant to the regulatory presumption of FAC that all entities organized or located in the FRY (S/M), as well as entities owned or controlled by them, are controlled directly or indirectly by the Government of the FRY (S/M).

New section 585.215 implements section 1(c) of Executive Order No. 12846 to provide that, except as otherwise authorized, conveyances and/or cargo that comes within the United States and is not otherwise subject to blocking, but is suspected of a violation of United Nations Security Council resolutions imposing sanctions against the FRY (S/M), shall be detained pending investigation and, upon a determination by the Secretary of the Treasury or his delegate that a violation has occurred, shall be blocked. New section 585.216 of the Regulations implements section 1(b) of Executive Order No. 12846 to provide that, except as otherwise authorized, all expenses incident to the blocking and maintenance of property blocked pursuant to the Regulations shall be charged to the owners or operators of such property. Section 585.216 also provides for the discretionary liquidation of property blocked under these sections, with net proceeds placed in a blocked account in the name of the property's owner.

New section 585.217 provides that no vessel registered in the United States or owned or controlled by U.S. persons, other than U.S. naval vessels, may enter the territorial waters of the FRY (S/M) without specific authorization (Executive Order No. 12846, section 1(d)). New section 585.218 prohibits, unless specifically authorized pursuant to the statement of licensing policy in new section 585.524, any dealing by a U.S. person relating to the unauthorized importation from, exportation to, or transshipment through the United Nations Protected Areas in the Republic of Croatia and those areas of the Republic of Bosnia-Herzegovina under the control of Bosnian Serb forces, and activities promoting such trade (Executive Order No. 12846, section 1(e)).

The prohibitions of Executive Order No. 12846 apply notwithstanding any prior contracts, international agreements, licenses or authorizations, but may be modified by regulation, order, or license. New section 585.419 states that Executive Order No. 12846 does not invalidate existing authorizations and licenses issued pursuant to Executive orders with respect to the FRY (S/M), unless terminated, suspended, or modified by FAC.

In addition to implementing the provisions of Executive Order No. 12846, the amended Regulations expand the general license in section 585.509 to permit certain "Qualified Transactions," in the form of debt-for-equity or debt-for-debt swaps in rescheduled commercial debt of the former Yugoslavia, where the Yugoslav debt being swapped was originally incurred by an entity in Bosnia-Herzegovina, Croatia, Macedonia, or Slovenia. These transactions are pursuant to the New Financing Agreement for Yugoslavia of September 20, 1988.

As part of the international effort to tighten economic sanctions against Yugoslavia, FAC has issued a series of General Notices listing "Blocked Federal Republic of Yugoslavia (Serbia and Montenegro) Entities and Specially Designated Nationals (SDNs)." Three additional General Notices have been issued by FAC since my last report. General Notices No. 4, No. 5, and No. 6 announced the names of 349 additional entities and five individuals determined by the Department of the Treasury to be Blocked Entities or SDNs of the FRY (S/M). General Notices No. 4, No. 5, and No. 6 supplement the listings of General Notice No. 1 (57 *FR* 32051, July 20, 1992), General Notice No. 2 (January 15, 1993), and General Notice No. 3 (March 8, 1993), and bring the current total of Blocked Entities and SDNs of the FRY (S/M) to 850. Copies of General Notices No. 4, No. 5, and No. 6 are attached.

Of the two court cases in which the blocking authority was challenged as applied to FRY (S/M) subsidiaries and vessels in the United States, the Government's position in the case involving the blocked vessels was upheld by the Fifth Circuit Court of Appeals. Supreme Court review has been requested. The case involving a blocked subsidiary remains to be resolved.

4. Over the past 6 months, the Departments of State and Treasury have worked closely with European Community (the "EC") member states and other U.N. member nations to coordinate implementation of the sanctions against the FRY (S/M). This has included visits by assessment teams formed under the auspices of the United States, the EC, and the Conference for Security and Cooperation in Europe (the "CSCE") to states bordering on Serbia and Montenegro; deployment of CSCE sanctions assistance missions (SAMs) to Albania, Bulgaria, Croatia, the Former Yugoslav Republic of Macedonia, Hungary, Romania, and Ukraine to assist in monitoring land and Danube River traffic; bilateral contacts between the United States and other countries for the purpose of tightening financial and trade restrictions on the FRY (S/M); and establishment of a mechanism to coordinate enforcement efforts and to exchange technical information.

5. In accordance with licensing policy and the Regulations, FAC has exercised its authority to license certain specific transactions with respect to the FRY (S/M) that are consistent with the Security Council sanctions. During the reporting period, FAC has issued 137 specific licenses regarding transactions pertaining to the FRY (S/M) or assets it owns or controls, bringing the total as of October 15, 1993, to 563. Specific licenses have been issued (1) for payment to U.S. or third-country secured creditors, under certain narrowly defined circumstances, for pre-embargo import and export transactions; (2) for legal representation or advice to the Government of the FRY (S/M) or FRY (S/M)-controlled clients; (3) for the liquidation or protection of tangible assets of subsidiaries of FRY (S/M)-controlled firms located in the United States; (4) for limited FRY (S/M) diplomatic representation in Washington and New York; (5) for pat-

ent, trademark, and copyright protection and maintenance transactions in the FRY (S/M) not involving payment to the FRY (S/M) Government; (6) for certain communications, news media, and travel-related transactions; (7) for the payment of crews' wages and vessel maintenance of FRY (S/M)-controlled ships blocked in the United States; (8) for the removal from the FRY (S/M) of certain property owned and controlled by U.S. entities; and (9) to assist the United Nations in its relief operations and the activities of the U.N. Protection Forces. Pursuant to regulations implementing United Nations Security Council Resolution No. 757, specific licenses have also been issued to authorize exportation of food, medicine, and supplies intended for humanitarian purposes in the FRY (S/M).

During the past 6 months, FAC has continued to oversee the liquidation of tangible assets of the 15 U.S. subsidiaries of entities organized in the FRY (S/M). Subsequent to the issuance of Executive Order No. 12846, all operating licenses issued for these U.S.-located Serbian or Montenegrin subsidiaries or joint ventures were revoked, and the net proceeds of the liquidation of their assets placed in blocked accounts.

The Board of Governors of the Federal Reserve Board and the New York State Banking Department again worked closely with FAC with regard to two Serbian banking institutions in New York that were closed on June 1, 1992. The banks had been issued licenses to maintain a limited staff and full-time bank examiners had been posted in their offices to ensure that banking records are appropriately safeguarded. Subsequent to the issuance of Executive Order No. 12846, all licenses previously issued were revoked. FAC is currently working with the Federal Reserve Board and the New York State Banking Department to resolve outstanding issues regarding the banks.

During the past 6 months, U.S. financial institutions have continued to block funds transfers in which there is an interest of the Government of the FRY (S/M) or an entity or undertaking located in or controlled from the FRY (S/M). Such transfers have accounted for $36.6 million in Yugoslav assets blocked since the issuance of Executive Order No. 12808.

To ensure compliance with the terms of the licenses that have been issued under the program, stringent reporting requirements are imposed. Nearly 500 submissions were reviewed since the last report and more than 180 compliance cases are currently open. In addition, licensed bank accounts are regularly audited by FAC compliance personnel and by cooperating auditors from other regulatory agencies.

6. Since the issuance of Executive Order No. 12810, FAC has worked closely with the U.S. Customs Service to ensure both that prohibited imports and exports (including those in which the Government of the FRY (S/M) has an interest) are identified and interdicted, and that permitted imports and exports move to their intended destination without undue delay. Violations and suspected violations of the embargo are being investigated and appropriate enforcement actions are being taken. There are currently 42 cases under active investigation. Civil penalties collected from financial institutions for violations involving transfers of funds in which the Government of the FRY (S/M) has an interest have totaled more than $21,000 to date.

7. The expenses incurred by the Federal Government in the 6 month period from May 31, 1993, through November 29, 1993, that are directly attributable to the authorities conferred by the declaration of a national emergency with respect to the FRY (S/M) are estimated at more than $3.9 million, most of which represent wage and salary costs for Federal personnel. Personnel costs were largely centered in the Department of the Treasury (particularly in FAC and its Chief Counsel's Office, and the U.S. Customs Service), the Department of State, the National Security Council, the U.S. Coast Guard, and the Department of Commerce.

8. The actions and policies of the Government of the FRY (S/M), in its involvement in and support for groups attempting to seize and hold territory in Croatia and Bosnia-Herzegovina by force and violence, continue to pose an unusual and extraordinary threat to the national security, foreign policy, and economy of the United States. The United States remains committed to a multilateral resolution of this crisis through its actions implementing the binding resolutions of the United Nations Security Council with respect to the FRY (S/M).

I shall continue to exercise the powers at my disposal to apply economic sanctions against the FRY (S/M) as long as these measures are appropriate, and will continue to report periodically to the Congress on significant developments pursuant to 50 U.S.C. 1703(c).

Sincerely,

WILLIAM J. CLINTON

NOTE: Identical letters were sent to Thomas S. Foley, Speaker of the House of Representatives, and Albert Gore, Jr., President of the Senate.

Message on the Observance of Hanukkah, 1993

December 7, 1993

I am pleased to send my warmest greetings to all who are celebrating Hanukkah.

The Festival of Lights, a joyous holiday that commemorates a miracle, is a fitting time to give thanks for the blessings of the past year. One of those great blessings was the historic handshake between the Prime Minister of Israel and the Chairman of the Palestine Liberation Organization—something that surely would have seemed a miracle just a short time ago. Hanukkah serves as a reminder that faith and perseverance can sustain us against the most difficult odds.

We live in a world weary of violence and determined to take steps to advance the cause of peace. We live in a nation that has made a renewed commitment to improving our communities and using our rich ethnic heritage to unite us, rather than to divide us. The strong beliefs and confidence that brought victory to the Maccabees and eight days of light to the Temple can guide us as we face the momentous challenges of our times. The eternal lesson of Hanukkah—that faith gives us the strength to work miracles and find light in times of darkness—inspires all of us to strive toward a brighter future.

In this holiday season, let us rededicate ourselves to creating a more peaceful world for all.

BILL CLINTON

NOTE: This message was released by the Office of the Press Secretary on December 7.

Statement on the Tentative Agreement To End the Coal Strike

December 7, 1993

I would like to commend the United Mine Workers of America and the Bituminous Coal Operations Association for coming together and producing a tentative agreement in this contentious strike.

This agreement represents good news for the coal industry, good news for its workers, and more good news for the economy as we approach the holiday season.

I applaud Mine Workers President Rich Trumka and BCOA Chief Bobby Brown for their dedication and commitment to an outcome that will support a strong and productive mining industry in America.

And I extend special thanks to former Secretary of Labor Bill Usery who was brought into this challenging mediation process at the request of Secretary of Labor Bob Reich. Bob assured me that Bill's history of stepping into and resolving tough disputes would prove to be invaluable to the negotiations. He was right.